

Minutes of Audit Committee Meeting of June 4, 2018

**One Twin Pines Lane
City Hall, Suite 360
CALL TO ORDER 12:05 P.M.**

ROLL CALL

COMMITTEE MEMBERS PRESENT: Violet, Hurt, Mates

STAFF PRESENT: Finance Director Fil, Deputy Finance Director Paras, Controller Chu, City Manager Scoles, City Attorney Rennie, Management Analyst Voelker

OTHERS PRESENT: Members of the public

ORAL COMMUNICATION/PUBLIC COMMENTS

Perry Kennan, Belmont resident, stated he was in attendance to observe whether the Audit Committee asked insightful questions regarding the FY19 Budget.

CONSENT CALENDAR

March 12, 2018 Regular Meeting Minutes of the Audit Committee

Perry Kennan remarked that he felt the meeting minutes showed a lack of transparency.

ACTION: Moved by Committee Member Hurt, seconded by Committee Member Mates, by unanimous voice vote, the March 12th meeting minutes were noted and filed.

OTHER BUSINESS

FY 2019 Budget Review

Director Fil gave a brief overview of the FY 19 Budget, noting that this was the Committee's opportunity to take a deeper dive into the budget details and the City's fiscal plan and consider a motion to recommend approval of the Budget. Discussion ensued.

In response to a question by Committee Member Mates, the Committee discussed fees, including methodology and fee recovery.

Director Fil and Deputy Director Paras continued their review of the budget and fielded questions from the Committee on matters of clarification regarding Council priorities, tax revenues, and the City's reserves. Committee Member Hurt inquired about the Infrastructure Fund (310) and Director Fil clarified its source of funding (General Fund) and purpose (discretionary use).

Discussions developed around other matters of interest, including the Fire Department and JPA

and the City's plan to prepare for pension obligations. Director Fil explained some of the changes happening with CalPERS and the options that the City is now considering in response to these changes and rate increases. Discussion ensued.

Further discussion also took place regarding the Development Services Fund, opportunities for impact in recreation and the purpose and use of the Council's \$250K contingency.

Perry Kennan, Belmont resident, commented on how the CalPERS issue was addressed in the Budget Brief, his concerns on the City's methodology for reporting reserves and Benefit Prefunding.

ACTION: On a motion by Committee Member Mates, seconded by Committee Member Hurt, by unanimous voice vote, the Audit Committee recommended approval of the FY19 Budget as presented, with a note to devote further discussion to the CalPERS funding options, once available.

COMMITTEE UPDATES AND STAFF ITEMS

Meeting Calendar

Chair Violet noted that the date of the next scheduled meeting in October is to be determined and will include the audit results and review of the Comprehensive Annual Financial Report (CAFR). Management Analyst Voelker will query the Committee for an available date, with a target of early October.

ADJOURNMENT 1:42 p.m.

**Thomas Fil
Finance Director**